

SB 6615 - S AMD 264
By Senator Harper

NOT ADOPTED 03/03/2012

1 On page 9, after line 3, insert the following:

2 "Sec. 16. RCW 66.24.630 and 2012 c 2 s 103 (Initiative Measure No.
3 1183) are each amended to read as follows:

4 (1) There is a spirits retail license to: Sell spirits in original
5 containers to consumers for consumption off the licensed premises and
6 to permit holders; sell spirits in original containers to retailers
7 licensed to sell spirits for consumption on the premises, for resale at
8 their licensed premises according to the terms of their licenses,
9 although no single sale may exceed twenty-four liters, unless the sale
10 is by a licensee that was a contract liquor store manager of a contract
11 liquor store at the location of its spirits retail licensed premises
12 from which it makes such sales; and export spirits.

13 (2) For the purposes of this title, a spirits retail license is a
14 retail license, and a sale by a spirits retailer is a retail sale only
15 if not for resale. Nothing in this title authorizes sales by on-sale
16 licensees to other retail licensees. The board must establish by rule
17 an obligation of on-sale spirits retailers to:

18 (a) Maintain a schedule by stock-keeping unit of all their
19 purchases of spirits from spirits retail licensees, indicating the
20 identity of the seller and the quantities purchased; and

21 (b) Provide, not more frequently than quarterly, a report for each
22 scheduled item containing the identity of the purchasing on-premise
23 licensee and the quantities of that scheduled item purchased since any
24 preceding report to:

25 (i) A distributor authorized by the distiller to distribute a
26 scheduled item in the on-sale licensee's geographic area; or

27 (ii) A distiller acting as distributor of the scheduled item in the
28 area.

29 (3)(a) Except as otherwise provided in (c) of this subsection (~~(c) of this section~~), the board may issue spirits retail licenses only for
30

1 premises comprising at least ten thousand square feet of fully enclosed
2 retail space within a single structure, including storerooms and other
3 interior auxiliary areas but excluding covered or fenced exterior
4 areas, whether or not attached to the structure, and only to applicants
5 that the board determines will maintain systems for inventory
6 management, employee training, employee supervision, and physical
7 security of the product substantially as effective as those of stores
8 currently operated by the board with respect to preventing sales to or
9 pilferage by underage or inebriated persons.

10 (b) License issuances and renewals are subject to RCW 66.24.010 and
11 the regulations promulgated thereunder, including without limitation
12 rights of cities, towns, county legislative authorities, the public,
13 churches, schools, and public institutions to object to or prevent
14 issuance of local liquor licenses. However, existing grocery premises
15 licensed to sell beer and/or wine are deemed to be premises "now
16 licensed" under RCW 66.24.010(9)(a) for the purpose of processing
17 applications for spirits retail licenses.

18 (c) The board may not deny a spirits retail license to an otherwise
19 qualified contract liquor store at its contract location or to the
20 holder of former state liquor store operating rights sold at auction
21 under RCW 66.24.620 on the grounds of location, nature, or size of the
22 premises to be licensed. The board shall not deny a spirits retail
23 license to applicants that are not contract liquor stores or operating
24 rights holders on the grounds of the size of the premises to be
25 licensed, if such applicant is otherwise qualified and the board
26 determines that:

27 (i) There is no retail spirits license holder in the trade area
28 that the applicant proposes to serve;

29 (ii) The applicant meets, or upon licensure will meet, the
30 operational requirements established by the board by rule; and

31 (iii) The licensee has not committed more than one public safety
32 violation within the three years preceding application.

33 (d) A retailer authorized to sell spirits for consumption on or off
34 the licensed premises may accept delivery of spirits at its licensed
35 premises or at one or more warehouse facilities registered with the
36 board, which facilities may also warehouse and distribute nonliquor
37 items, and from which the retailer may deliver to its own licensed

1 premises and, pursuant to sales permitted under subsection (1) of this
2 section:

3 (i) To other retailer premises licensed to sell spirits for
4 consumption on the licensed premises;

5 (ii) To other registered facilities; or

6 (iii) To lawful purchasers outside the state. The facilities may
7 be registered and utilized by associations, cooperatives, or comparable
8 groups of retailers, including at least one retailer licensed to sell
9 spirits.

10 (4)(a) Except as otherwise provided in (b) of this subsection, each
11 spirits retail licensee must pay to the board, for deposit into the
12 liquor revolving fund, a license issuance fee equivalent to seventeen
13 percent of all spirits sales revenues under the license, exclusive of
14 taxes collected by the licensee and of sales of items on which a
15 license fee payable under this section has otherwise been incurred.
16 The board must establish rules setting forth the timing of such
17 payments and reporting of sales dollar volume by the licensee, with
18 payments required quarterly in arrears. The first payment is due
19 October 1, 2012.

20 (b) This subsection (4) does not apply to craft distilleries.

21 (5) In addition to the payment required under subsection (4) of
22 this section, each licensee must pay an annual license renewal fee of
23 one hundred sixty-six dollars. The board must periodically review and
24 adjust the renewal fee as may be required to maintain it as comparable
25 to annual license renewal fees for licenses to sell beer and wine not
26 for consumption on the licensed premises. If required by law at the
27 time, any increase of the annual renewal fee becomes effective only
28 upon ratification by the legislature.

29 (6) As a condition to receiving and renewing a retail spirits
30 license the licensee must provide training as prescribed by the board
31 by rule for individuals who sell spirits or who manage others who sell
32 spirits regarding compliance with laws and regulations regarding sale
33 of spirits, including without limitation the prohibitions against sale
34 of spirits to individuals who are underage or visibly intoxicated. The
35 training must be provided before the individual first engages in the
36 sale of spirits and must be renewed at least every five years. The
37 licensee must maintain records documenting the nature and frequency of

1 the training provided. An employee training program is presumptively
2 sufficient if it incorporates a "responsible vendor program"
3 promulgated by the board.

4 (7) The maximum penalties prescribed by the board in WAC 314-29-020
5 through 314-29-040 relating to fines and suspensions are doubled for
6 violations relating to the sale of spirits by retail spirits licensees.

7 (8)(a) The board must promulgate regulations concerning the
8 adoption and administration of a compliance training program for
9 spirits retail licensees, to be known as a "responsible vendor
10 program," to reduce underage drinking, encourage licensees to adopt
11 specific best practices to prevent sales to minors, and provide
12 licensees with an incentive to give their employees ongoing training in
13 responsible alcohol sales and service.

14 (b) Licensees who join the responsible vendor program under this
15 section and maintain all of the program's requirements are not subject
16 to the doubling of penalties provided in this section for a single
17 violation in any period of twelve calendar months.

18 (c) The responsible vendor program must be free, voluntary, and
19 self-monitoring.

20 (d) To participate in the responsible vendor program, licensees
21 must submit an application form to the board. If the application
22 establishes that the licensee meets the qualifications to join the
23 program, the board must send the licensee a membership certificate.

24 (e) A licensee participating in the responsible vendor program must
25 at a minimum:

- 26 (i) Provide ongoing training to employees;
- 27 (ii) Accept only certain forms of identification for alcohol sales;
- 28 (iii) Adopt policies on alcohol sales and checking identification;
- 29 (iv) Post specific signs in the business; and
- 30 (v) Keep records verifying compliance with the program's
31 requirements."

32 Renumber the remaining section consecutively and correct any
33 internal references accordingly.

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1 On page 1, line 3 of the title, after "70.96A.087," strike "and
2 43.63A.190" and insert "43.63A.190, and 66.24.630"

EFFECT: Exempts craft distilleries from the license issuance fee of 17 percent of all spirits sales revenues under such a license.

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